

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:2326

ANSWERED ON:15.12.2008

ALLOTMENT OF 2G SPECTRUM LICENCE

Chandrappan Shri C.K.;Das Gupta Shri Gurudas;Singh Shri Uday

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether some private companies allotted Second Generation (2G) spectrum licence, sold their stake to foreign telecom operators at a huge premium, causing a huge loss to the exchequer;
- (b) if so, the details thereof indicating the name of such companies alongwith the price at which the spectrum was allotted to them and the price at which it was further sold to the foreign telecom operators;
- (c) whether the spectrum allotment policy of the Government has been identified as the major cause of such practices; and
- (d) if so, the remedial steps taken by the Government in this regard?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI A. RAJA)

(a) & (b) The private operators have been awarded Licenses under first come first served policy of the Government under Unified Access Services Licence (UASL) regime since 2003. Since then almost all the operators have diluted their equity in order to raise funds for investment in the company. Government has been issuing UAS Licence at a pan India fee of Rs. 1658.5701 crore and those who desired to operate wireless service under UAS Licence obtain wireless operating Licence. Government as a policy has been providing wireless spectrum to the operators based on the subscribers based criteria without any upfront charge and levy annual spectrum usage charges on revenue share basis. The department does not maintain at what price equity has been sold to the foreign companies by the private operators.

(c) No, Sir.

(d) Does not arise in view of (c) above.